

EXHIBIT 12

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

EDUARDO GARCIA and JULIA GARCIA,

Plaintiffs,

vs.

Case No.
1:20-cv-02402

WELLS FARGO BANK, N.A.,

Defendant.

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REMOTE 30(B)(6) DEPOSITION OF

WELLS FARGO BANK, N.A.

CARMEN BELL

JULY 28, 2022

9:33 A.M.

Chandler, Arizona

REPORTED BY:  
SOMMER E. GREENE, CRR, RMR  
AZ #50622

**CERTIFIED  
TRANSCRIPT**

1           Q.     Paragraph 2 says, [As read] In each  
2 instance in this order in which the board is required  
3 to ensure adherence to and undertake to perform  
4 certain obligations of the bank, it is intended to  
5 mean that the board shall, subparagraph A, authorize  
6 and adopt such actions on behalf of the bank as may  
7 be necessary for the bank to perform its obligations  
8 and undertakings under the terms of this order.

9           And subparagraph C, [As read] Follow-up  
10 on any non -- material noncompliance with such  
11 actions in a timely and appropriate manner.

12           Did I read that correctly?

13           A.     Yes.

14           Q.     Okay. The next document may be relevant  
15 to what you were mentioning earlier. This is the  
16 amendment to the April 13th, 2011, consent order.  
17 It's number 2013-132.

18           A.     Yes.

19           Q.     Is this what you were mentioning earlier,  
20 after the changes that came out of the I- -- the  
21 Independent Foreclosure Review, that these con- --  
22 original consent orders were modified?

23           A.     Yes.

24           Q.     Okay.

25           MS. KNIGHT: And, Mr. Wooten, just for

1 the record, again, this highlighting is yours?

2 MR. WOOTEN: Yes. Yes.

3 MS. KNIGHT: Okay.

4 MR. WOOTEN: There will be highlighting  
5 on all these consent decrees. It's all mine. So...

6 MS. KNIGHT: Okay. Thank you.

7 Q. BY MR. WOOTEN: So down in the first  
8 paragraph that starts with "Whereas" on the first  
9 page, it says, [As read] Article VII of the 2011  
10 consent order required the bank, among other things,  
11 to retain an independent consultant to conduct an  
12 independent review of certain residential mortgage  
13 loan foreclosure actions or proceedings for borrowers  
14 who had a pending or completed foreclosure on their  
15 primary residence any time from January 1st, 2009, to  
16 December 31, 2010.

17 And in parentheses, it says, [As read]  
18 The in-scope borrower population, the purposes of  
19 which were set forth in paragraph 3 of Article VII of  
20 the 2011 consent order.

21 Did I read that correctly?

22 A. Yes.

23 Q. Okay. And the next "Whereas" says,  
24 [As read] The bank has taken steps to comply with its  
25 obligations under Article VII of the 2011 consent

1 order.

2 Correct?

3 A. Yes.

4 Q. And then it says in the next "Whereas"  
5 paragraph, [As read] In the interest of providing the  
6 greatest benefit to borrowers potentially affected by  
7 the practices at the bank addressed in the 2011  
8 consent order in a more timely manner than would have  
9 occurred under the Independent Foreclosure Review,  
10 the OCC, the Board of Governors of the Federal  
11 Reserve System, the bank, and several other financial  
12 institutions with mortgage loan servicing  
13 operations -- collective- -- collectively referred to  
14 as "participating servicers," have agreed to amend  
15 their respective 2011 consent orders.

16 So that's what you mentioned earlier  
17 about a number of the affected parties all agreed to  
18 this type of amendment. Right?

19 A. Correct.

20 Q. Okay. And it goes on to say, the next  
21 "Whereas" paragraph, [As read] The OCC and the bank  
22 intend that the bank's obligations, under Article VII  
23 of the 2011 consent decree -- or the consent order,  
24 be replaced with the obligations specified in this  
25 amendment to the consent order, in order pursuant to

1 12 U.S.C., section 1818(b), which include the bank  
2 making a cash payment in the amount specified herein  
3 to a qualified settlement fund for distribution to  
4 the in-scope borrower population in accordance with a  
5 distribution plan developed by the OCC and Board of  
6 Governors in their discretion; and, 2, taking other  
7 loss mitigation or other foreclosure prevention  
8 actions in the amount specified herein.

9 Did I read all that correctly?

10 A. Yes.

11 Q. Okay. On the next page, page 3,  
12 Article I, that's titled, "The Qualified Settlement  
13 Fund and Paying Agent." And it says in paragraph 1,  
14 [As read] Within 15 days of this amendment to the  
15 consent order, the bank and/or its parent, affiliate,  
16 or subsidiary, subject to an amendment to the  
17 April 13th, 2011, consent order of the Board of  
18 Governors will make a cash payment of \$765,823,531  
19 into a qualified settlement fund, in parentheses, the  
20 fund from which payments to the in-scope borrower  
21 population, which are borrowers who had a pending or  
22 completed foreclosure on their primary residence any  
23 time from January 1st, 2009, to December 31st, 2010,  
24 will be made pursuant to a distribution plan  
25 developed by the OCC and the Board of Governors,

1 collectively, the regulators, in their discretion.

2 Did I read that correctly?

3 A. Yes.

4 Q. Okay. Over in Article III on page 6,  
5 it's titled, "IC Reports and OCC Access to IFR  
6 Information."

7 Let me get to the right document again.  
8 I'm sorry.

9 It says, [As read] Within three days of  
10 the effective date of this amendment to the consent  
11 order, the bank shall confirm that its IC --

12 That would be your independent  
13 consultant. Right?

14 A. Correct.

15 Q. [As read] -- has provided the OCC with  
16 the most recent data reports previously provided to  
17 the bank's board or appropriate board committees.  
18 Within three days of the effective date of this  
19 amendment to the consent order, the bank shall  
20 confirm that its IC has completed and provided to the  
21 OCC the additional reporting as specified by the OCC  
22 with information as of December 31st, 2012. The bank  
23 shall also take all reasonable steps to cause its IC  
24 to provide any existing information, as requested by  
25 the OCC, to assist the OCC in its analysis and public

1 reporting of Independent Foreclosure Review-related  
2 activities.

3 Did I read that correctly?

4 A. Yes.

5 Q. The next page on Article IV is titled  
6 "Foreclosure Prevention." Paragraph 1, it says,  
7 [As read] By no later than January 7 of 2015, the  
8 bank shall provide loss mitigation or other  
9 foreclosure prevention actions, in paren, foreclosure  
10 prevention, in the amount of \$1,225,317,650. The  
11 bank's foreclosure prevention action shall be in  
12 addition to and shall not be used to fulfill the  
13 bank's consumer relief obligations under the NMS.

14 Did I read that correctly?

15 A. Yes.

16 Q. So, for those members of the jury who are  
17 not familiar with this alphabet soup of settlements  
18 and consultants and agencies, NMS stands for  
19 "National Mortgage Settlement." Right?

20 A. It does.

21 Q. Okay. And that dealt with a separate  
22 settlement that was made by all the major mortgage  
23 servicers related to servicing practices. Is that  
24 correct?

25 MS. KNIGHT: Object to the form.



1 THE WITNESS: Yes.

2 Q. BY MR. WOOTEN: And this OCC order  
3 requiring the payment of 765 million to a settlement  
4 fund and 1.2 billion in foreclosure prevention is  
5 separate and apart from any obligations that were  
6 under the National Mortgage Servicing Settlement.  
7 Right?

8 MS. KNIGHT: Object to the form.

9 And also, Mr. Wooten, the National  
10 Mortgage Settlement is beyond the scope of the  
11 notice, so the witness isn't prepared to talk about  
12 it. To the extent it ties in with what's stated  
13 here, I'll allow it. But, again, she's not been  
14 prepared to discuss the -- the materials and the --  
15 the substance of the National Mortgage Settlement.

16 MR. WOOTEN: I -- I don't need to discuss  
17 the materials or the substance. I just want to  
18 confirm that the amounts that are listed in this  
19 document are separate and apart from any obligations  
20 under the NMS.

21 THE WITNESS: I -- I didn't do a  
22 comparison; so I don't feel comfortable answering the  
23 question.

24 Q. BY MR. WOOTEN: All right. How about  
25 right here at the bottom of paragraph 1 where it

1 says, [As read] The bank's foreclosure prevention  
2 actions shall be in addition to and shall not be used  
3 to fulfill the bank's consumer relief obligations  
4 under the NMS?

5 A. That is what it states, yes, so I would  
6 have to assume that that is the case that you can't  
7 combine the two.

8 Q. Let me just go back a second. Under  
9 paragraph 2 of Article IV, "Foreclosure Prevention,"  
10 the second sentence says, [As read] While the bank's  
11 actions may be -- may be affected by existing  
12 investor requirements, the bank's foreclosure  
13 prevention actions should reflect the following  
14 guiding principles:

15 Letter A, [As read] Preference should be  
16 given to activities designed to keep the borrower in  
17 the home.

18 Letter B, [As read] The foreclosure  
19 prevention actions should emphasize affordable,  
20 sustain -- sustainable and meaningful home  
21 preservation actions for qualified borrowers.

22 C, [As read] Foreclosure prevention  
23 actions should otherwise provide significant and  
24 meaningful relief or assistance to qualified  
25 borrowers.

1                   And D, [As read] Foreclosure prevention  
2                   actions should not disfavor a specific geography,  
3                   within or among states, nor disfavor low and/or  
4                   moderate income borrowers and not discriminate  
5                   against any protected class of borrowers.

6                   Did I read that correctly?

7                   A.     Yes.

8                   Q.     Over on page 9 under Article V,  
9                   "Releases," paragraph 1 says, [As read] In  
10                  recognition of the bank's cash payments of  
11                  \$765,823,531 to the fund and foreclosure commitments  
12                  made pursuant to this amendment to the consent order  
13                  under 12 U.S.C., section 1818(b), the comptroller  
14                  will not assess a civil money penalty under 12 U.S.C.  
15                  section 1818(i), or initiate any further enforcement  
16                  actions against the bank or its subsidiaries or  
17                  affiliates, including for remedies available pursuant  
18                  to 12 U.S.C., section 1818(b).

19                  [As read] With respect to letter A, the  
20                  findings contained in the Article I of the 2011  
21                  consent order; B, the matters addressed in Article  
22                  VII of the 2011 consent order, including matters  
23                  related to the work or findings of the IC or IC  
24                  counsel under the IFR; and, C, any other past  
25                  mortgage servicing and foreclosure-related practices

1 that are addressed by the 2011 consent order through  
2 the execution date of this amendment to the consent  
3 order, provided that the terms of this amendment to  
4 the consent order are satisfied.

5 Did I read that correctly?

6 A. Yes.

7 Q. Now, after this 2013 amendment went into  
8 place, there was another amendment to this consent  
9 order in 2015. Correct?

10 A. Yes.

11 Q. Okay. So I put that order up on the  
12 screen. It's number 2015-67. It says it amends both  
13 the 2011 and the 2013 order. Correct?

14 A. Yes.

15 Q. Down in the first paragraph on the first  
16 page of this order, it says, [As read] Whereas the  
17 bank has failed to comply with Articles II, III, IV,  
18 VIII, and IX of the consent order, the 15 remaining  
19 actionable items of the 98 actionable items in the  
20 consent order are included in this amendment, and  
21 whereas the bank is in continuing noncompliance with  
22 and in violation of the consent order and continues  
23 to engage in unsafe and unsound practices.

24 Did I read that correctly?

25 A. Yes.

1 Q. And on the next page, on page 2, it says,  
2 [As read] Whereas, upon execution of this amendment,  
3 the OCC is placing the bank under the following  
4 supervisory restrictions.

5 And then it lists all -- about five  
6 specific restrictions that I won't run through  
7 completely. And at the bottom of the page, in the  
8 next "Whereas" paragraph, it says, [As read] The OCC  
9 will also take additional supervisory and/or  
10 enforcement action, including possible civil money  
11 penalties, subject to all appropriate procedural  
12 processes in order to address the bank's overall  
13 noncompliance with the consent order, the nature and  
14 severity of which will reflect the nature, length,  
15 and severity of the bank's continued noncompliance  
16 through final termination of the consent order.

17 Did I read that correctly?

18 A. Yes.

19 Q. Okay. Then under Article I under  
20 "Comptroller's Findings," it says, [As read] The  
21 comptroller's findings under Article I of the consent  
22 order are hereby incorporated in full.

23 Paragraph 2, [As read] The OCC has  
24 determined the bank has failed to comply with  
25 Articles II, III, IV, VIII, and IX of the consent

1 order.

2 And number 3, [As read] The bank has --  
3 the OCC has determined the bank is continuing  
4 noncompliance with and in violation of the consent  
5 order and continues to engage in unsafe and unsound  
6 practices.

7 Did I read those three paragraphs  
8 correctly?

9 A. Yes.

10 Q. Article III of this 2015 order is titled  
11 "Comprehensive Action Plan." And it says underneath  
12 it, [As read] The provisions of Article III of the  
13 consent order are hereby revised as follows.

14 And then over on page 5, under  
15 paragraph 2, it says, [As read] The board shall  
16 ensure that the bank achieves and thereafter  
17 maintains compliance with the consent order,  
18 including, without limitation, successful  
19 implementation of the revised action plan. The board  
20 shall further ensure, upon implementation of the  
21 revised action plan, the bank achieves and maintains  
22 effective mortgage servicing, foreclosure and loss  
23 mitigation activities as defined in the 2011 consent  
24 order, as well as associated risk management,  
25 compliance, quality control, audit, training,

1 staffing, and related functions. In order to comply  
2 with these requirements, the board shall --

3 And then under paragraph C, [As read] --  
4 require corrective action to be taken in a timely  
5 manner for any noncompliance with such actions.

6 Did I read that correctly?

7 A. Yes.

8 Q. On the next page, page 6, under the same  
9 article, paragraph 3 says, [As read] The revised  
10 action plan includes --

11 And then under letter E, [As read] --  
12 governance and controls designed to comply with all  
13 legal requirements as defined in the 2011 consent  
14 order, supervisory guidance, and the requirements of  
15 this amendment.

16 Did I read that correctly?

17 A. Yes.

18 Q. Under Article IV, with the compliance  
19 program, paragraph 1 says, [As read] The bank has  
20 demonstrated compliance with all the requirements of  
21 Article IV of the consent order except for the  
22 following provisions which remain in noncompliance.

23 And there's a paragraph number A that has  
24 subparts, which are romanettes, romanette iv, v, and  
25 vi are on page 7. Romanette iv says, [As read]

1 Ongoing testing for compliance with applicable legal  
2 requirements and OCC supervisory guidance is  
3 completed by qualified persons with a requisite  
4 knowledge and ability, parentheses, which may include  
5 internal audit, and the parentheses, who are  
6 independent of the bank's business lines --

7 Romanette v, [As read] -- measures to  
8 ensure that policies, procedures, and processes are  
9 updated on an ongoing basis as necessary to  
10 incorporate any changes and applicable legal  
11 requirements in OCC supervisory guidance.

12 And Romanette vi, [As read] Processes to  
13 ensure that the risk management, quality control,  
14 audit, and compliance programs have the requisite  
15 authority and status within the organization so that  
16 appropriate reviews of the bank's mortgage servicing,  
17 loss mitigation, and foreclosure activities and  
18 operations may occur and deficiencies are identified  
19 and promptly remedied.

20 Did I read all that correctly?

21 A. Yes.

22 Q. Under Article VIII on page 8, it says,  
23 [As read] The bank has demonstrated compliance with  
24 all requirements of Article VIII of the consent order  
25 except for the following provisions which remain in



1 noncompliance.

2 And it's paragraph A, [As read] The bank  
3 shall implement its revised action plan and ensure  
4 its management informations systems for foreclosure  
5 and loss mitigation, as defined in the 2011 consent  
6 order, or loan modification activities provide timely  
7 delivery of complete and accurate information from  
8 affected decisionmaking and include, at a minimum,  
9 testing the integrity and accuracy of the new or  
10 enhanced MIS to ensure the reports generated by the  
11 system provide necessary information for adequate  
12 monitoring and quality controls.

13 Did I read that correctly?

14 A. Yes.

15 Q. In 2015, where were you working at that  
16 time?

17 A. I was still on the performing service  
18 side or customer service. I --

19 Q. All right.

20 A. -- I believe I had other cash and tax and  
21 insurance. So, in addition to customer service, I  
22 had some back-office routine functions like cash  
23 and --

24 Q. Pay escrow amounts?

25 A. Escrow. I don't know exactly in 2015 if

1 I had escrow, but I had escrow at some point, yes.

2 MS. KNIGHT: Mr. Wooten, we've been going  
3 about an hour. Do you think you're almost done with  
4 this particular document? I'm just trying to gauge  
5 for a quick break.

6 MR. WOOTEN: Yeah. I'm -- I'm -- I don't  
7 think I'm super far away. I'm on page 9 of this  
8 document. I don't have that much left. It's only,  
9 like, about halfway through this document; so  
10 probably three or four more items. You want to break  
11 now, or you want to --

12 MS. KNIGHT: Okay.

13 MR. WOOTEN: -- wait until we finish this  
14 document?

15 MS. KNIGHT: Yeah. Is that okay?

16 THE WITNESS: Yes.

17 MS. KNIGHT: Let's finish the document,  
18 yeah.

19 MR. WOOTEN: Sure.

20 Q. BY MR. WOOTEN: The next topic is  
21 Article IX, titled "Mortgage Servicing." This also  
22 says [As read] The bank has demonstrated compliance  
23 with all the requirements of Article IX of the  
24 consent order, except for the following provisions,  
25 which remain in noncompliance.

1                   And it says, paragraph A, [As read] The  
2 bank shall implement its revised action plan and  
3 ensure effective coordination of communications with  
4 borrowers, both oral and written, related to loss  
5 mitigation or loan modification and foreclosure  
6 activities, including, at a minimum, romanette i,  
7 reasonable and good-faith efforts consistent with  
8 applicable legal requirements are engaged in loss  
9 mitigation and foreclosure prevention for delinquent  
10 loans where appropriate.

11                   And 2, Romanette ii, [As read] Expansion  
12 of the single point of contact program so that each  
13 borrower has access to an employee of the bank to  
14 obtain information throughout the loss mitigation,  
15 loan modification, and foreclosure processes.

16                   Did I read all that correctly?

17                   A.     Yes.

18                   Q.     Okay. Over on page 12, Article XIII,  
19 "Other Provisions." It says, [As read] The  
20 provisions of this Article XIII of the consent order  
21 are hereby revised as follows: The bank is in  
22 continuing noncompliance with and in violation of the  
23 consent order and continues to engage in unsafe and  
24 unsound practices. The OCC will take additional  
25 supervisory and/or enforcement action, including

1 possible civil money penalties, subject to all  
2 appropriate procedural processes, in order to address  
3 the bank's overall noncompliance with the consent  
4 order, the nature and severity of which will reflect  
5 the nature, length, and severity of the bank's  
6 continued noncompliance through final termination of  
7 the consent order.

8 Did I read that correctly?

9 A. Yes.

10 Q. Over on the next page, under paragraph 5,  
11 it says, [As read] Although this amendment requires  
12 the bank to submit certain action plans, programs,  
13 policies, and procedures for the review or prior  
14 written determination of no supervisory objection by  
15 the deputy comptroller or the examiner in charge, the  
16 board has the ultimate responsibility for proper and  
17 sound management of the bank.

18 Did I read that correctly?

19 A. Yes.

20 Q. Over on page 16, there's an Article XIV,  
21 titled, "Business Restrictions." Is that correct?

22 A. That is what it's titled, yes.

23 Q. All right. Under number 1, the first  
24 sentence says, [As read] The bank shall not execute  
25 any new contracts or amend or renew existing

1 contracts beyond current loan volume specified in  
2 existing contracts for the acquisition by the bank of  
3 residential mortgage servicing, residential mortgage  
4 servicing rights, residential mortgage loans with  
5 servicing, or residential mortgage origination  
6 business entities until termination of the consent  
7 order.

8 Did I read that correctly?

9 A. Yes.

10 Q. Number 2 says, [As read] The bank shall  
11 not execute any new contracts for the bank to perform  
12 residential mortgage servicing for other parties  
13 until termination of the consent order.

14 Did I read that correctly?

15 A. Yes.

16 Q. Number 3, [As read] The bank shall not  
17 outsource or subservice any new residential mortgage  
18 servicing-related activities to other parties without  
19 prior OCC supervisory nonobjection until termination  
20 of the consent order.

21 Did I read that correctly?

22 A. Yes.

23 Q. I want to skip number 4. But number 5,  
24 [As read] The bank shall not appoint any new senior  
25 officers who have responsibility for residential

1 mortgage servicing, residential mortgage servicing  
2 operations, residential mortgage servicing risk  
3 management, and residential mortgage servicing  
4 compliance without prior OCC supervisory nonobjection  
5 until termination of the consent order.

6 Did I read that correctly?

7 A. Yes.

8 Q. All right.

9 MR. WOOTEN: All right. Let's take a  
10 short break. Tell me what you guys need.

11 MS. KNIGHT: Ten -- ten minutes.

12 THE WITNESS: Ten minutes.

13 MS. KNIGHT: Yeah.

14 MR. WOOTEN: All right. So I got 12:35  
15 Central time.

16 12:45 fine with everybody?

17 THE WITNESS: Uh-huh. Yep.

18 MR. WOOTEN: All right. See you in ten  
19 minutes.

20 THE VIDEOGRAPHER: Okay. We're going to  
21 go off the video record. The time is 10:35 a.m.

22 (A recess was held off the record.)

23 THE VIDEOGRAPHER: We are going back on  
24 the video record. The time is 10:46 a.m. Arizona  
25 time.

1 Q. BY MR. WOOTEN: Ms. Bell, where -- what  
2 was your position with the bank in 2018?

3 A. Did you say '18?

4 Q. Yes, ma'am.

5 A. In 2018, I led the customer contact and  
6 default decisioning teams.

7 Q. Okay. Tell me what those teams handled.

8 A. Customer service, the area that I  
9 described to you earlier; account resolution -- some  
10 people call it collections; as well as the home  
11 preservation and underwriting teams.

12 Q. Okay. So that would be people who were  
13 doing loss mitigation, loan modification work?

14 A. That's correct.

15 Q. All right. Let me get my screen going  
16 again.

17 So there was another consent order issued  
18 involving the bank in 2018. I have that up on the  
19 screen. It's numbers 2018-025.

20 Have you had an opportunity to see this  
21 before your testimony today?

22 A. Yes.

23 Q. All right. So on the first page of this  
24 document, it says [As read] The OCC has identified  
25 deficiencies in the bank's enterprisewide compliance

1 risk management program that constituted reckless,  
2 unsafe, or unsound practices and resulted in  
3 violations of the unfair acts or practices provision  
4 of Section 5 of the Federal Trade Commission Act.  
5 The OCC has informed the bank of the findings,  
6 resulting from the examinations.

7 Did I read that correctly?

8 A. Yes.

9 Q. On the next page, under the  
10 "Comptroller's "Findings," number 1 says, [As read]  
11 Since at least 2011, the bank has failed to implement  
12 and maintain a compliance risk management program  
13 commensurate with the bank's size, complexity, and  
14 risk profile. The bank's failure to implement and  
15 maintain a satisfactory compliance risk management  
16 program has caused the bank to engage in reckless,  
17 unsafe, or unsound practices and violations of law.

18 Did I read that correctly?

19 A. Yes.

20 Q. Okay. I'm going to skip that next  
21 paragraph. I'm going to go a little bit deeper in.

22 On Article IV on page 7, paragraph 1,  
23 [As read] Instructed the bank to submit an acceptable  
24 compliance risk management program within 60 days of  
25 this order.



1 Correct?

2 A. Yes.

3 Q. Okay. Article VII on page 11 is titled,  
4 "Remediation Program." And it says -- it required  
5 the bank [As read] to develop and implement a  
6 remediation program within 120 days.

7 Is that correct?

8 A. That's what it states, yes.

9 Q. Okay. All right. Paragraph 2 says,  
10 [As read] The bank shall develop and implement a  
11 remediation program that, at a minimum, shall  
12 include --

13 And then it's got a laundry list of  
14 items.

15 But paragraph A [As read] requires the  
16 inclusion of policies and procedures that define the  
17 bank's methodology for identifying harmed or  
18 otherwise affected consumers; calculating the  
19 economic or other adverse impact on affected  
20 consumers or customers, which, for the purpose of  
21 this order, does not include emotional harm or  
22 distress; communicating with affected customers; and  
23 providing remediation to affected customers.

24 It goes on to say [As read] These  
25 policies and procedures shall ensure that, at a

1 minimum, the bank --

2 And then it's got a list of romanette.  
3 But the first one is, [As read] Number 1, clearly  
4 defines the methodology for identifying affected  
5 customers and calculating economic or other adverse  
6 impact, including, but not limited to, the parameters  
7 used in establishing the affected customer  
8 population, the type of economic or other adverse  
9 impact, and the appropriate forms of remediation.

10 [As read] Number 2, engages in a holistic  
11 assessment of the economic or other adverse impact on  
12 the affected customers when developing individual  
13 remediation plans required by the remediation  
14 program.

15 And then [As read] Number 3, establishes  
16 criteria and standards for remediation plans,  
17 including, A, evaluating the parameters used to  
18 determine the affected customer population, the  
19 economic or other adverse impact in the form of  
20 remediation; B, locating and contacting affected  
21 customers; C, developing affected disclosures and  
22 communications used to inform affected customers of  
23 any actual or potential harm and apprise customers of  
24 their remediation options; D, their issuance in  
25 tracking remediation payments dispersed to affected

1 customers; E, the correcting of adjustment -- or  
2 adjustment of affected customers' accounts; and, F,  
3 procedures to request amendments to affected  
4 customers' credit reports from the credit reporting  
5 agencies.

6 Did I read that correctly?

7 A. Yes.

8 Q. Do you know whether the bank had any  
9 remediation program in place prior to this consent  
10 order?

11 A. Yes.

12 Q. Do you know when the first remediation  
13 program was put in place by the bank?

14 A. I don't know the exact date.

15 Q. You know if the bank was -- faced any  
16 civil penalties associated with these failures?

17 MS. KNIGHT: Object to the form. Vague.

18 Q. BY MR. WOOTEN: As a result of this  
19 consent decree, was the bank assessed any civil money  
20 penalties?

21 MS. KNIGHT: Mr. Wooten, is there a  
22 document you could put up to...

23 MR. WOOTEN: Yeah, I can.

24 MS. KNIGHT: Okay.

25 MR. WOOTEN: I want to see if it was in a

1 separate document first, because it was actually in a  
2 previous document with the CFPB.

3 Q. BY MR. WOOTEN: On the same day as the  
4 order that we were just looking at was entered, there  
5 was also an order entered by the Consumer Financial  
6 Protection Bureau or the Bureau of Consumer Financial  
7 Protection.

8 Are you familiar with that consent order?

9 MS. KNIGHT: Well, I'm just -- this is  
10 beyond the scope of the notice that the witness has  
11 been designated to testify about; so she's  
12 not prepared --

13 MR. WOOTEN: Here's -- here's the tie-in  
14 for you. We'll just go over here. Let me do it this  
15 way so it's clear.

16 Q. BY MR. WOOTEN: Over in the "Definition"  
17 section of the CFPB order, under part 3, there is a  
18 letter J that says "The OCC Order." And it says,  
19 [As read] The OCC order means the consent order  
20 issued by the office of comptroller, the currency,  
21 and the administrative adjudication styled in the  
22 matter of Wells Fargo Bank NA, Number AA-EC-2018-16  
23 issued on or about April 20th of 2018.

24 Did I read all that correctly?

25 A. That's what it states, yes.

1 Q. Okay. Let's go back to this article,  
2 make sure we're -- now, this is the consent order we  
3 just went over. It -- if has the number in the style  
4 AA-EC-2018-15.

5 Is that the same number mentioned in the  
6 CFPB order?

7 A. Yes.

8 Q. All right. So if you go back to the CFPB  
9 order, and I'll find the section on penalties.

10 Section 10 of the CFPB order, page 23,  
11 "Order to Pay Civil Money Penalty." It says,  
12 [As read] It is further ordered that under  
13 section 1055(c) of the CFPA 12 U.S.C., section  
14 5565(c), by reason of the violations of law described  
15 in section IV of this consent order, taking into  
16 account the factors in 12 U.S.C. section 5565(c)(3),  
17 respondent must pay civil money penalty of \$1 billion  
18 to the bureau.

19 Under 12 U.S.C. section 5565(c)(4),  
20 [As read] The amount respondent must pay will be  
21 remitted by 500 million upon respondent's  
22 satisfaction of its obligation to pay that amount in  
23 penalties to the OCC for related conduct.

24 So, reading that together, are you able  
25 to determine that there was a \$500 million civil

1 penalty issued by the OCC related to the consent  
2 order that we just went over?

3 MS. KNIGHT: Same objection. The witness  
4 isn't prepared to talk about this particular consent  
5 order as it's not one of the topics in the notice.  
6 She can answer in her personal capacity if she knows.

7 THE WITNESS: You stated that this civil  
8 penalty was from the OCC. I believe, if we go back  
9 to the beginning of this document, this was issued by  
10 the CFPB, which is not the OCC.

11 Q. BY MR. WOOTEN: No, ma'am. The order  
12 that we're looking at here is the CFPB order. Do you  
13 see that heading on page 1?

14 A. Yes. Which -- yes.

15 Q. But if you go back to the page we were  
16 just looking at -- let me get back over here -- under  
17 section 10, "Order to Pay Civil Money Penalty"?

18 A. Yes.

19 Q. At the bottom of page 23, it says,  
20 [As read] Respondent must pay civil money penalty of  
21 \$1 billion to the bureau.

22 Do you recognize "the bureau" as the  
23 CFPB. Right?

24 A. That's correct.

25 Q. Okay. And then it says under 12 U.S.C.,

1 section 5565(c)(4), [As read] The amount respondent  
2 must pay will be remitted by \$500 million dollars  
3 upon respondent's satisfaction of its obligation to  
4 pay that amount in penalties to the OCC for related  
5 conduct.

6 You know what "remitted" means?

7 MS. KNIGHT: Object to the form. Again,  
8 if you can -- if you can revert back to the document  
9 that the witness was prepared to discuss, given that  
10 that was one of the topics in the notice. This is  
11 beyond the scope, so I'll place the objection there.

12 THE WITNESS: Can you restate the  
13 question?

14 Q. BY MR. WOOTEN: Yes.

15 In reading paragraph 59 in total, are you  
16 able to tell that the CFPB assert -- assessed a  
17 \$1 billion penalty but then basically credited Wells  
18 Fargo \$500 million for the payment that it had to  
19 make to the OCC for related conduct?

20 MS. KNIGHT: Same objections.

21 THE WITNESS: That's what's written here,  
22 yes.

23 Q. BY MR. WOOTEN: Okay. And so I was  
24 saying, from that paragraph, can you interpolate that  
25 the OCC assessed a \$500 million penalty for the

1 consent order we went over back here at 2018-15?

2 A. I can't answer that question. I'm sorry.  
3 I didn't -- no.

4 Q. Okay. Okay. I think I found it. This  
5 order titled "21816." It's titled "Consent Order For  
6 a Civil Money Penalty." And it repeats the same  
7 information that we saw initially about  
8 enterprise-wide compliance risk management program.  
9 And I'll read the whole paragraph you want me to, but  
10 I read that as being the same language we read in  
11 2018-15.

12 Do you recognize that language?

13 A. I agree.

14 Q. Okay. And this finding on paragraph 1 --  
15 well, I like that.

16 That appears to be the same findings that  
17 we saw in 2018-15. Right?

18 A. It does.

19 Q. Okay. Article II does, in fact, order a  
20 \$500 million civil penalty for the conduct identified  
21 in 2018-15. Correct?

22 A. That's what it states, yes.

23 Q. Okay. So we can agree, then, that there  
24 was a \$500 million penalty related to this 2018  
25 consent order?



1 A. Yes.

2 Q. Okay. That was not the last consent  
3 order related to this issue, though, was it?

4 MS. KNIGHT: Object to the form.

5 Q. There was another consent order issued in  
6 2021. Correct?

7 A. There was another consent issue ordered,  
8 yes.

9 Q. Okay. And this was in the form of a  
10 cease-and-desist from the OCC?

11 A. I'm -- I'm just reading it. It -- it  
12 intends -- that's what it states, yes.

13 Q. And so what this says is [As read] The  
14 OCC intends to initiate cease-and-desist proceedings  
15 against the bank pursuant to 12 U.S.C. section  
16 1818(b) through the issuance of a notice of charges  
17 for engaging in unsafe or unsound practices related  
18 to material deficiencies regarding the bank's loss  
19 mitigation activities, including loan modification  
20 decisions and operational practices, and inadequate  
21 independent risk management and internal audit of the  
22 bank's loss mitigation activities.

23 Did I read that correctly?

24 A. That's what it states, yes.

25 Q. Do you know what loan modification

1 MS. KNIGHT: (Inaudible).

2 Q. BY MR. WOOTEN: Does that phrase include  
3 the HPA tool?

4 MS. KNIGHT: And, again, I'll give the  
5 same instruction if it would require the witness to  
6 reveal the substance of communications with its  
7 regulator.

8 THE WITNESS: Per counsel, I'm not able  
9 to answer the question.

10 MR. WOOTEN: Okay. We'll reserve on that  
11 question.

12 Q. BY MR. WOOTEN: Article II,  
13 "Comptroller's Findings." [As read] The comptroller  
14 finds and the bank either admits or denies the  
15 following:

16 Number one, the bank has significant  
17 deficiencies related to its loss mitigation  
18 activities?

19 Number two, the OCC has identified and  
20 previously communicated to the bank the following  
21 deficiencies and unsafe or unsound practices with  
22 respect to loss mitigation.

23 A, the bank has failed to fully implement  
24 and maintain adequate loss mitigation practices and  
25 related independent risk management practices

1 commensurate with the bank's size, complexity, and  
2 risk profile.

3 B, the bank's loss mitigation decisioning  
4 tools, applications, and end-user computing tools and  
5 operational deficiencies have caused errors in the  
6 bank's loss mitigation processes and controls that  
7 negatively affected borrowers.

8 Did I read that correctly?

9 A. That's what it states, yes.

10 Q. Was the HPA tool a loss mitigation  
11 decisioning tool?

12 A. It is.

13 Q. Next page. Number 3, paragraph C,  
14 [As read] The bank's inadequate controls,  
15 insufficient independent oversight, and ineffective  
16 governance related to loss mitigation activities have  
17 caused the bank's failure to timely detect, prevent,  
18 and quantify inaccurate loan modification decisions  
19 and impaired the bank's ability to fully and timely  
20 remediate harmed customers.

21 Did I read that correctly?

22 A. Yes.

23 Q. Paragraph D, [As read] The bank's  
24 internal audit coverage of loss mitigation activities  
25 are deficient and have failed to include all aspects

1 of previously identified loan modification decision  
2 issues.

3 Did I read that correctly?

4 A. That's what it states, yes.

5 Q. Number 3, [As read] By reason of the  
6 foregoing conduct, the bank has engaged in unsafe or  
7 unsound practices with respect to its loss mitigation  
8 activities along with inadequate independent risk  
9 management and internal audit coverage of its loss  
10 mitigation program.

11 Did I read that correctly?

12 A. Yes.

13 Q. In 2021, were you in charge of loss  
14 mitigation for the bank?

15 MS. KNIGHT: Object to the form.

16 THE WITNESS: I was responsible for home  
17 preservation, which includes similar code of conduct  
18 and underwriting, yes.

19 Q. BY MR. WOOTEN: Over on page 5,  
20 Article V, titled, "Loss Mitigation Program,"  
21 paragraph 1 required the bank to establish,  
22 maintain -- it says, [As read] The bank shall  
23 implement and, thereafter, maintain an effective loss  
24 mitigation program with respect to loss mitigation  
25 activities in the bank's home lending business.

1 Did I read that portion of the sentence  
2 correctly?

3 A. Yes.

4 Q. All right. And paragraph 2 says,  
5 [As read] The bank's loss mitigation program shall,  
6 at a minimum, include, A, policies, procedures, and  
7 processes that, Romanette i, ensure the bank conducts  
8 loss mitigation activities in accordance with  
9 applicable state and federal laws and regulations and  
10 investor requirements; ii, ensure the bank conducts  
11 effective and sustainable loss mitigation activities,  
12 including loan modification decisions; iii, ensure  
13 the bank performs quarterly evaluation of the  
14 effectiveness of loss mitigation systems and tools  
15 with a focus on manual processes and controls; iv,  
16 ensure the bank adheres to its complaints management  
17 policy in implementing procedures, including  
18 standards for resolution, reporting, aggregation, and  
19 analysis of customer complaints specifically related  
20 to the bank's loss mitigation program; and, v, ensure  
21 the bank clearly delineates roles, responsibilities,  
22 and decision-making authorities with respect to its  
23 loss mitigation program.

24 Did I read all that correctly?

25 A. Yes.

1 Q. Paragraph B required the bank to keep  
2 accurate books and systems of record. Is that right?

3 A. Yes.

4 Q. Paragraph C requires adequate staffing  
5 and training for loss mitigation?

6 A. Yes.

7 Q. We'll skip number D.

8 Paragraph 3 says, [As read] The bank's  
9 loss mitigation program shall also, at a minimum,  
10 include, paragraph A, line of business reviews of all  
11 loss mitigation activities; and, B, identification of  
12 areas that need improvement, based on the results of  
13 all loss mitigation decision reviews, which are then  
14 incorporated into and addressed by the bank's loss  
15 mitigation program.

16 Did I read that correctly?

17 A. Yes.

18 Q. C, on the next page, 7, [As read]  
19 Measures to verify that loss mitigation decisioning,  
20 assumptions, and inputs are updated in an ongoing and  
21 timely manner and incorporate applicable changes in  
22 state and federal laws of regulations and investor  
23 requirements; D, analysis of potential risk of error,  
24 arising from preimplementation changes to loss  
25 mitigation tools; and E, post-implementation testing

1 and review processes to ensure that loss mitigation  
2 tool changes have been made as intended.

3 Did I read all that correctly?

4 A. Yes.

5 Q. Okay. Have you been responsible for  
6 implementing this loss mitigation program?

7 MS. KNIGHT: Object to the form.

8 THE WITNESS: Can you be more specific,  
9 please?

10 Q. BY MR. WOOTEN: With respect to this  
11 required loss mitigation program in this consent  
12 order that involve departments under your  
13 supervision, have you been directly involved in  
14 implementing this loss mitigation program?

15 MS. KNIGHT: Object to the form.

16 THE WITNESS: They -- directly involved  
17 not with the areas that you're covering. I am not in  
18 charge of loss mitigation any longer.

19 Q. BY MR. WOOTEN: When did that cease?

20 A. I moved into a new role in March of 2022.

21 Q. Okay. So you would have been in charge  
22 of loss mitigation from -- it would have been within  
23 your umbrella from when to when? From March '22.  
24 When did you begin?

25 A. Started the role that I described in

1 August of 2016.

2 Q. Okay. Do you know if this September 9th,  
3 2021, consent order result in additional monetary  
4 penalties against the bank?

5 A. Is there a document that you can  
6 reference?

7 Q. Yes. It's AA-ENF-2021-30, also number  
8 2021-036 titled "Consent Order."

9 The second "Whereas" paragraph says,  
10 [As read] The OCC intends to initiate civil money  
11 penalty proceedings against the bank pursuant to  
12 12 U.S.C. section 1818(i), through the issuance of a  
13 notice of assessment of a civil money penalty for  
14 engaging in, 1, unsafe or unsound practices related  
15 to material deficiencies regarding the bank's loss  
16 mitigation activities, including loan modification  
17 decisions and operational practices, and inadequate  
18 independent risk management and internal audit of the  
19 bank's loss mitigation activities; and, 2, violations  
20 of the 2018 consent order, AA-EC-2018-15, related to  
21 enterprise-wide compliance risk management, the  
22 2018 order.

23 Did I read that correctly?

24 A. Yes.

25 Q. On page 2 of that document, the con- --



1 the "Comptroller's Findings," it says, [As read] The  
2 comptroller finds, and the bank neither admits nor  
3 denies, the following: 1, The bank has significant  
4 deficiencies related to its loss mitigation  
5 activities; and, 2, The OCC has identified and  
6 previously communicated to the bank the following  
7 deficiencies and unsafe or unsound practices with  
8 respect to loss mitigation.

9 And it looks like it has the same  
10 information we looked -- looked at in the previous  
11 order. Correctly (sic)?

12 A. It does.

13 Q. Okay. Article III is titled, "Order for  
14 a Civil Money Penalty." And therein, the OCC states,  
15 [As read] The bank shall make -- make payment of a  
16 civil money penalty in the total amount of  
17 \$250 million, which shall be paid upon the execution  
18 of this order.

19 Did I read that correctly?

20 A. You did.

21 Q. Okay. Over on page 5, under Article V,  
22 "Closing," it says, [As read] Nothing in this order,  
23 however, shall prevent the OCC from -- under  
24 paragraph D -- utilizing the comptroller's findings  
25 set forth in Article II of this order in future

1 enforcement actions against the bank or its  
2 institution-affiliated parties to establish a pattern  
3 or the continuation -- continuation of a pattern.

4 Did I read that correctly?

5 A. Yes.

6 Q. Now, you're familiar with -- you had the  
7 opportunity to read our 30(b)(6) deposition notice in  
8 your preparation. Correct?

9 A. As stated earlier, yes.

10 Q. All right. Let's try to knock out a  
11 couple of these topics.

12 You've been working in servicing for --  
13 you said 22 years. Right?

14 A. No.

15 Q. Okay. Tell me how long it was again?

16 A. 18 and a half.

17 Q. 18 and a half. I'm sorry. I got my  
18 numbers confused.

19 During that entire time, Wells Fargo's  
20 mortgage system of record is something commonly  
21 referred to as MSP. Is that right?

22 A. That's correct.

23 Q. Okay. And that's a product that is --  
24 the current company that owns it is called Black  
25 Knight. Right?

1 any materials, documents, records of any type related  
2 to your preparation to testify that were not provided  
3 to you by counsel?

4 A. No.

5 Q. Okay. Tell me why Wells Fargo chose to  
6 continue ongoing foreclosures that were impacted by  
7 this 2011 consent decree?

8 MS. KNIGHT: Object to the form.

9 THE WITNESS: The consent order did not  
10 prohibit Wells Fargo from continuing foreclosures.  
11 It required a review.

12 Q. BY MR. WOOTEN: Okay. And the review was  
13 being done because of concerns with problems with the  
14 process. Right?

15 MS. KNIGHT: Object to the form.

16 THE WITNESS: I believe we have reviewed  
17 twice what the -- why the OCC issued the consent  
18 order.

19 Q. BY MR. WOOTEN: Okay. At the time this  
20 consent decree was entered, Wells Fargo had a  
21 portfolio of \$8,900,000 -- 8,900,000 loans according  
22 to this consent order. Correct?

23 MS. KNIGHT: Object to the form.

24 THE WITNESS: That hasn't changed since  
25 we reviewed it earlier, so that is correct.

1           Q.     BY MR. WOOTEN: So you said Wells Fargo  
2 continued its existing foreclosures that were  
3 impacted by the consent order because the consent  
4 order did not prohibit Wells Fargo from doing so. Is  
5 that right?

6           MS. KNIGHT: Object to the form.

7           THE WITNESS: I'll need you to restate  
8 the question because there's a lot in it, so I need  
9 to ensure I'm answering it accurately. I can state  
10 what I said.

11          Q.     BY MR. WOOTEN: Just a second. I think  
12 my question earlier was I asked you to tell me why  
13 Wells Fargo chose to continue with foreclosures that  
14 were affected by the consent order rather than  
15 stopping them.

16          A.     I believe my answer was I -- there was  
17 nothing in the consent order which prohibited  
18 foreclosures. In -- in addition, Wells Fargo also  
19 has to ensure that we follow investor guidelines,  
20 and -- and that's also another reason why you move  
21 forward -- or the guidelines of the investor.

22          Q.     Okay.

23          A.     I will also just note and -- for purposes  
24 of this, the Garcias' foreclosure was prior to  
25 entering -- signing or entering into the consent

1 would have been some consumers who requested  
2 mediation. Right?

3 A. Correct.

4 Q. And then there would have been consumers  
5 who pursued litigation. Right?

6 A. Correct.

7 Q. And -- and all that was sort of triggered  
8 by this initial communication that was sent out with  
9 respect to this issue to the consumers that were  
10 impacted. Right?

11 MS. KNIGHT: Object to the form. Vague.

12 THE WITNESS: Um, you're asking if those  
13 reactions, whether a customer cashed their check and  
14 moved forward --

15 Q. BY MR. WOOTEN: Let me ask it a better  
16 way.

17 A. -- went through a mediator? I'm sorry.  
18 I just don't understand --

19 Q. Just strike the question. Let me ask it  
20 a better way.

21 There was no way for a consumer to know  
22 this had happened to them until Wells Fargo told  
23 them. Right?

24 A. Not to my knowledge.

25 MS. KNIGHT: Object to the form.

1 Go ahead.

2 THE WITNESS: Not to my knowledge, no.

3 Q. BY MR. WOOTEN: Okay. Good enough.

4 Let's try to move this along a little bit here.

5 MS. KNIGHT: We've been going over -- a  
6 little over an hour, but if you're almost finished,  
7 then we can probably just finish. But if you have  
8 another hour, a different -- different category.

9 MR. WOOTEN: Yeah.

10 MS. KNIGHT: What do you think?

11 MR. WOOTEN: We've still got to cover the  
12 HAMP stuff, and I'm still going through these  
13 documents that we identified. So if you want to take  
14 a break, I'm fine with taking a break.

15 MS. KNIGHT: What do you want to do? Do  
16 you --

17 THE WITNESS: Doesn't matter to me. I'd  
18 rather get it done.

19 MS. KNIGHT: Okay. We'll keep going.

20 Q. BY MR. WOOTEN: Okay. Let's look at the  
21 document that's been identified as Wells Fargo 66783.

22 A. I have the document in front of me.

23 Q. Okay. This -- can you tell me what this  
24 document is.

25 A. So it's similar to the last document as

1 part of the commitment to customer program that was  
2 in place, which that was one of the programs that --  
3 in the remediation space. So similar to the document  
4 we previously reviewed that covered the remediation  
5 details, this is another form that was required to  
6 assess the materiality of issue.

7 Q. All right. And so it looks like there's  
8 some type of scoring system on this document.

9 Can you explain what that is.

10 A. I didn't personally create the form; so I  
11 can't describe the methodology behind it. But to my  
12 knowledge of preparing for today, it does have  
13 weight -- a weight that's per question, based on the  
14 answer that is provided to the question.

15 Q. Okay. And I think the document also  
16 includes a scale, when the scoring is done, to  
17 evaluate the severity of the issue. Right?

18 MS. KNIGHT: Object to the form.

19 THE WITNESS: Are you referring to a  
20 certain section on the form that you want me to  
21 reference?

22 Q. BY MR. WOOTEN: Yeah. If you go down to  
23 part G, which says "Conclusion," there's a legend.

24 A. Okay.

25 Q. And it says, "Risk level." And it gives

1 section A, there's a question 3. [As read] Does the  
2 issue appear to be systemic in nature, i.e.,  
3 affecting multiple consumers due to one or more  
4 common root causes?

5 And the answer says, [As read] Yes,  
6 multiple consumers have been impacted by this issue.

7 Correct?

8 A. Yes.

9 Q. Okay. Then right below that, question 4,  
10 [As read] Does the issue appear to be within the  
11 control of Wells Fargo or parties under Wells Fargo's  
12 control?

13 And that answer was, [As read] Yes, this  
14 issue is within the control of Wells Fargo.

15 Correct?

16 A. Yes.

17 Q. Under section D, there's a question that  
18 says, does the -- it's [As read] Number 1, does the  
19 risk -- does the issue appear to affect high-risk  
20 consumers, protected classes, or vulnerable  
21 populations, for example, service members, loss  
22 mitigation, workout mortgage borrowers, foreclosures,  
23 et cetera? Or does the issue appear to involve  
24 potential discrimination and/or pose potential fair  
25 lending-related risk?



1                   And the answer to that was, [As read]

2       Yes. This issue impacts loss mitigation and  
3       foreclosure loans.

4                   Correct?

5           A. Yes.

6           Q. And number 2 says, [As read] Does this --  
7       the issue appear to affect consumers nationwide?

8                   And the answer was [As read] Yes, this  
9       issue does affect consumers nationwide.

10                  Correct?

11          A. Yes.

12          Q. All right. Let's move to 66929, please.

13          A. 66929. Okay.

14                  I have the document in front of me.

15          Q. Well, now, I got to give myself a second  
16       to get it in front of me.

17                  Just a second. Making sure I have the  
18       right order here.

19                  Okay. I've got to open it up on another  
20       screen. I'm sorry. It's, obviously, one of the ones  
21       I downloaded.

22                  Let's just skip that one for a second and  
23       go over to 66809.

24                  MS. KNIGHT: That one is not listed in  
25       topic 17. Are you sure -- can you look again?

1 it's signed April thir -- April 2009.

2 MR. WOOTEN: Okay. Do you have the  
3 amended one that's signed in March of 2010?

4 MS. KNIGHT: Uh, I don't think so. Do  
5 you have it?

6 MR. WOOTEN: Yeah. Let me screen-share  
7 it. I just want to look and see. Give me just a  
8 second. I may have the 2009 one as well. I've  
9 got -- I think this is still the 2010 one. Let me  
10 just double-check that. Let me just share this.

11 Q. BY MR. WOOTEN: Just a second. My device  
12 was locking up. Can you see the amended and restated  
13 commitment to purchase financial instrument and  
14 service participation agreement?

15 A. I -- I do see it.

16 Q. Okay. Highlights, again, are mine. This  
17 document, as I mentioned, was signed in March of 2010  
18 by Mike -- Michael Held.

19 A. Mike Heid.

20 Q. Heid? Is it H-e-i-d instead of H-e-l-d?

21 A. That's correct.

22 Q. Okay. I've been reading that as "L" this  
23 whole time. I apologize.

24 All right. So the first highlighted  
25 portion of this document says, [As read] In

1 connection with the implementation of HAMP, the  
2 primary purpose of which was the modification of  
3 first lien mortgage loan obligations and the  
4 provision of loan modification and foreclosure  
5 prevention services relating thereto, quote, the HAMP  
6 services, end quote.

7 Did I read that correctly?

8 A. That is what it states, yes.

9 Q. Is there any disagreement about this  
10 being the purpose of HAMP?

11 MS. KNIGHT: Object to the form.

12 THE WITNESS: No.

13 Q. BY MR. WOOTEN: Okay. Now, I'm actually  
14 going to flip over to second page, paragraph B under  
15 number 1, "Services." This paragraph says, [As read]  
16 Subject to section 10(c), servicer shall perform the  
17 services described in Romanette i, the financial  
18 instrument attached hereto as Exhibit B, the  
19 financial instrument; Romanette ii, the service  
20 schedule attached hereto collectively as Exhibit A;  
21 iii, the guidelines and procedures issued by the  
22 Treasury with respect to the programs outlined in the  
23 service schedules, the program guidelines; and, iv,  
24 any supplemental documentation instructions,  
25 bulletins, frequently asked questions, letters,

1           Q.     There's a certification under Exhibit C.  
2     I think if you'll compare those certifications back  
3     to the representations of the warranties, you'll find  
4     they more or less match up.

5                     Have you had a chance to look at these  
6     documents before today?

7           A.     As I believe we referenced, I looked at  
8     the initial one. I don't believe the amended one was  
9     in my material.

10          Q.     So --

11          A.     It's the -- it's -- I think they're  
12     pretty close to the same.

13          Q.     Are you aware that the HAMP program  
14     required a participating servicer to consider a HAMP  
15     modification prior to foreclosure for any delinquent  
16     borrower?

17                     MS. KNIGHT: Object to the form.

18                     THE WITNESS: Yes, under the  
19     circumstances that were outlined in the HAMP  
20     document. Correct.

21          Q.     BY MR. WOOTEN: And Wells Fargo was  
22     required to certify for each loan that it had  
23     considered a borrower for HAMP prior to foreclosure.  
24     Correct?

25                     MS. KNIGHT: Object to the form.

1 THE WITNESS: I -- I'm not -- you're  
2 asking if we certify -- had to certify at a loan  
3 level?

4 Q. BY MR. WOOTEN: Yes.

5 Are you familiar with the guideline that  
6 required to you execute a certification to your  
7 foreclosure counsel record that you had properly  
8 considered a borrower for HAMP?

9 MS. KNIGHT: Mr. Wooten, I'm just going  
10 to object, because that's not what the -- what the  
11 certifications at the state level say, and I'm pretty  
12 sure you know that. It's right-party contact. So  
13 I'm just going to object to the extent that  
14 misconstrues the obligation of the certifications  
15 that are to be made at loan level.

16 Do you want to ask again? Try?

17 Q. BY MR. WOOTEN: No. I'm going to -- hold  
18 on just a second. I'll find that. We'll come back  
19 to it.

20 Okay. I found it.

21 This is a document, Wells Fargo  
22 Garcia\_625, certification in accordance with the  
23 federal government's HAMP and the supplemental  
24 directive 10-02, dated March 24th, 2010. [As read]  
25 The supplemental directive, Wells Fargo, as the

1     **servicer, hereby certifies that, Number 1, the**  
2     **borrower has been evaluated for HAMP and was**  
3     **determined to be ineligible for the program.**

4             **Did I read that correctly?**

5             A.     That's what it states, yes.

6             **Q.     Okay. And is that signed October 7th,**  
7     **2010, by M.Keith Hallman at HAMP --**

8             MS. KNIGHT: I'm going to place -- I'm  
9     placing a standing objection on the record, because  
10    that is not a complete statement of what the document  
11    says. Your question to her was, you must certify, on  
12    a loan level, that you evaluated a particular loan  
13    for HAMP, when the certification is much broader than  
14    that.

15            So I'm just going to place a standing  
16    objection on the record that you are not putting a  
17    complete statement of the document into the record.

18            MR. WOOTEN: Okay. Well, Counsel, it  
19    actually requires that Wells Fargo certify all six of  
20    these points, but the only one I'm concerned about is  
21    number 1.

22            MS. KNIGHT: Actually, it requires them  
23    to establish that they've made efforts to outreach --  
24    I'm not going to argue with you about it. Your  
25    question was, is the bank required to certify that it

1 THE WITNESS: I don't have the dates in  
2 front of me, but I know the Garcias were offered a --  
3 a modification prior to the August time period in  
4 which they did not make trial payments.

5 Q. BY MR. WOOTEN: They were never offered a  
6 HAMP modification. Right?

7 A. I believe that is correct.

8 Q. Okay. So this is a HAMP certification.  
9 Right?

10 A. Yes.

11 Q. Okay. So with respect to HAMP, they were  
12 never offered a trial period plan and failed to make  
13 payments.

14 A. On a HAMP-specific program, no.

15 Q. Okay. [As read] The servicers  
16 established right-party contact. I sent at least two  
17 written requests, asking the borrower to supply  
18 required information in accordance with a  
19 supplemental directive and has otherwise satisfied  
20 the reasonable effort solicitation standard, and the  
21 borrower failed to respond by the dates indicated.

22 We know that's not true also. Right?

23 MS. KNIGHT: Object to the form.

24 THE WITNESS: As we already acknowledged  
25 and have not denied, we unfortunately had the error

1 for a legal conclusion. And for speculation.

2 THE WITNESS: I -- I can't provide a  
3 legal opinion. I'll just restate that.

4 Q. BY MR. WOOTEN: No. I'm not asking you  
5 for a legal opinion, ma'am. I'm asking you for a  
6 factual opinion.

7 If your program did not evaluate my  
8 clients with the correct information, were my clients  
9 properly evaluated?

10 MS. KNIGHT: Object to the form. Same  
11 objections.

12 THE WITNESS: You're asking it to me in  
13 conjunction with the certification? We did not know  
14 at the time of this certification of the error to  
15 take it into account. We have completely  
16 acknowledged that we did not properly evaluate the  
17 customer or relate it to the attorneys' fees error.

18 Q. BY MR. WOOTEN: Okay. Well, thank you  
19 for that.

20 And another facet of the HAMP program was  
21 that you could not advance a foreclosure until you  
22 had properly evaluated a consumer for HAMP. Correct?

23 MS. KNIGHT: Object to the form.

24 THE WITNESS: Um, there were various  
25 provisions within HAMP. In this situation, we did



1 MR. WOOTEN: Okay.

2 MS. KNIGHT: NPV is not at issue in the  
3 case, number one. Number two, Ms. Bell has not been  
4 designated to talk about NPV. It's not a topic, and  
5 it's not relevant to the case, and that's been well  
6 established. It's in the testimony from the  
7 Hernandez transcripts.

8 If she can answer your questions about  
9 NP -- NVP -- NPV on a personal level, she can do  
10 that. And I also would like you to allow her to  
11 explain why your statements to her are incorrect.

12 MR. WOOTEN: Okay. And I think I allowed  
13 her to answer the last question that was on the  
14 record before you made your statements about me  
15 misrepresenting something that started this side bar.  
16 I don't have a question on the table right now.

17 MS. KNIGHT: Okay. Well, ask your  
18 question.

19 MR. WOOTEN: Okay. Thank you. I will.

20 Q. BY MR. WOOTEN: Chapter C65.7.1 is titled  
21 "Foreclosure Actions and Borrowers in Bankruptcy,"  
22 and that's current as of September 1st of 2010.

23 And under "Foreclosure Actions," it says,  
24 [As read] Number one, prohibition on referral and  
25 sale. A servicer may not refer any mortgage to

1     foreclosure or conduct a scheduled foreclosure sale  
2     unless and until at least one of the following  
3     circumstances exist.

4             The first bullet point says, [As read]  
5     The borrower is evaluated for HAMP and is determined  
6     to be ineligible. Refer to section C65.6B, step 6,  
7     for information on second-level review.

8             Did I read that correctly?

9             A.     That is what it states.

10            Q.     Okay. Now, again, you already said Wells  
11     Fargo did not properly evaluate the clients for HAMP  
12     because of the HPA tool error. Correct?

13            A.     That's not what I stated. I said that we  
14     regret that we -- that we regret -- sorry. I'm not  
15     getting my own words right.

16            I stated that we acknowledge in 2010, we  
17     did not evaluate them properly. We did not know that  
18     at the time, and as soon as we identified there was  
19     customer impact, which was when we started the review  
20     in 2018, we immediately took action to remediate  
21     customer impact.

22            Q.     Okay. Did HAMP -- the requirements of  
23     HAMP, did they allow Wells Fargo to continue with  
24     foreclosure without a proper evaluation of the  
25     borrowers' eligibility?

1 the scheduled foreclosure sale date, the deadline, or  
2 any extension thereof.

3 Does this bullet point appear to cover  
4 the reasoning for the certifications that we looked  
5 at a few minutes ago?

6 MS. KNIGHT: Object to the form.

7 THE WITNESS: We're required to certify  
8 per what this bullet states. And, as I stated, we  
9 certified based on what we knew at the time, which is  
10 that we did a review of the customer beforehand.

11 MS. KNIGHT: For the record, this wasn't  
12 a Freddie loan. I don't think there's any material  
13 differences between the non-GSE/GSE guidelines for  
14 HAMP, but I just wanted to point out you're using a  
15 Freddie document. So, again --

16 MR. WOOTEN: Sure.

17 MS. KNIGHT: -- I think the requirements  
18 are fairly similar across with what you're talking  
19 about. I just want to point that out for the record.

20 Q. BY MR. WOOTEN: Page C65-80, the section  
21 C65.13, titled "Fair Treatment and Legal Compliance."  
22 And the first heading is the letter A, "Compliance  
23 With Applicable Laws."

24 And that says, [As read] The servicer's  
25 implementation of HAMP and all actions taken under

1 this chapter must comply with all applicable federal,  
2 state, and local laws and regulations, including but  
3 not limited to section 5 of the Federal Trade  
4 Commission Act and similar applicable laws that  
5 prohibit unfair or deceptive acts or practices.

6 Did I read that correctly?

7 A. Yes.

8 Q. Moving over to page C65-82. The heading  
9 is C65.15, "Compliance."

10 It says, [As read] Servicers must comply  
11 with all Freddie Mac HAMP requirements and must  
12 document the execution of loan evaluation, loan  
13 modification, and accounting processes. Servicers  
14 must develop and execute a quality assurance program  
15 that includes either a statistically based, with a 95  
16 percent confidence level, or a 10 percent stratified  
17 sample of loans modified, drawn within 30 to 45 days  
18 of final modification, and reported on within 30 to  
19 45 days of review.

20 [As read] In addition, a trending  
21 analysis must be performed on a rolling 12-month  
22 basis. The scope of the assessments will include,  
23 among other things, an evaluation of the mortgage  
24 file, servicing system, and all other documentation  
25 required to be maintained to confirm the servicer's